

PORT Milwaukee

GRANTEE OF FOREIGN TRADE ZONE 41

2016 ANNUAL REPORT

CITY OF MILWAUKEE MAYOR

Tom Barrett

PORT MILWAUKEE

GRANTEE OF FOREIGN TRADE ZONE 41

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ABOUT FOREIGN TRADE ZONES:

Located in or near US Customs and Border Protection (CBP) ports of entry, Foreign Trade Zones (FTZ) are the United States' version of what are known internationally as free-trade zones. Authority for establishing these facilities is granted by the Foreign Trade Zones Board and operations are supervised by CBP.

The intent of the FTZ program is to stimulate economic growth and development in the United States. In an expanding global marketplace there is increased competition among nations for jobs, industry and capital. The FTZ program was designed to promote American competitiveness by encouraging companies to maintain and expand their operations in the United States.

The FTZ program can provide a number of savings and benefits for local companies that are doing business internationally. Current FTZ operators are able to realize benefits such as:

- Deferral of Customs duties on imports entering the zone
- Duty elimination on exports and scrapped materials
- Reduction in merchandise processing fees and broker's fees
- Direct delivery and streamlined Custom's clearance
- Eliminate drawback process
- Duty reduction (inverted tariff relief) for manufacturing zones



FTZ 41 BY THE NUMBERS

With activation late in 2015, the full impact of Broan NuTone utilizing the FTZ benefits was realized for 2016. Additionally, Kohler completed the activation process and became an active FTZ 41 operator in the last quarter of 2016. With these two companies seeing merchandise pass through their sites, the number of jobs in the Zone has increased by over 700 people.

Beyond the increase in jobs within the Zone, 2016 also saw an increase in merchandise brought through FTZ 41 in excess of 133 million dollars. These noticeable benefits help FTZ 41 operators remain competitive in the global marketplace and are reflected in the continuing growth trend for total value of shipments year after year.



2016 STATUS OF ZONE ACTIVITY

ACTIVATED SITES >> 6

APPROVED SITES >> 7

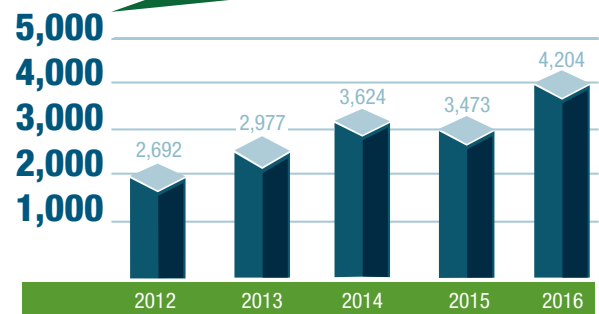
PERCENT EXPORTED >> 16.8%

APPROVED ACERAGE PENDING ACTIVATION >> 6.8

ACTIVATED ACERAGE >> 274.76



NUMBER OF JOBS IN FTZ 41



JOB INCREASE: +731 JOBS

TOTAL VALUE OF SHIPMENTS INCLUDING MERCHANDISE, VALUE ADDED, LABOR, PROFIT AND OVERHEAD

2016				\$1,778,721,272
2015			\$1,645,281,946	
2014		\$1,192,201,814		
2013		\$1,085,387,000		
2012	\$851,974,122			

2016 INCREASE: + \$133,439,326

PORT MILWAUKEE FTZ 41 ACTIVE USERS

GENERAC

**BROAN
NuTone**

THE BOLD LOOK
OF **KOHLER**

**CNH
INDUSTRIAL**

MERCURY

Hospira

PENDING ACTIVATION:

**LINDNER
LOGISTICS**